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SIPDIS

EEB/TRA/AN FOR TIM ROCHE AND LINDA SWEIKHART

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TAGS: EAIR ETRD ECON PGOV PE

SUBJECT: CIVAIR: PERU RESPONSE TO IATA'S "AGENDA FOR FREEDOM"

REF: STATE 131634

- 11. Summary. The Peruvian aviation authority indicated that Peru will not be interested in endorsing reftel policy statement. The policy of the Peruvian government is to enter into bilateral aviation agreements instead of general agreements. Peru has bilateral aviation agreements with thirty countries. Peru encourages the entry of new players in the market.
- 12. On February 9, EconCouns and Civil Aviation Officer delivered the "Statement of Policy Principles Regarding the Implementation of Bilateral Air Services Agreements" and reftel demarche to Peru's new appointed Director General for Civil Aviation, Ramon Gamarra Trujillo. Gamarra said he was aware of the Statement of Policy Principles, but said the policy of the Peruvian government is to pursue bilateral aviation agreements. Gamarra said he was concerned that a multilateral statement could jeopardize Peru's existing bilateral agreements. He stressed, however, that the Peruvian aviation authority encourages more international companies to enter the Peruvian market, and made a special point of urging international carriers to enter Peru's domestic market. He lamented the fact that one company (LAN Peru) dominates the market, and faces little competition for pricing and routes. Gamarra said he thinks bilateral agreements will better facilitate new entrants to the market. He emphasized the importance of reciprocity, which, he said, bilateral agreements can guarantee more effectively than broader statements of principle.
- 13. Peru holds aviation agreements with Argentina, Bolivia, Brazil, Canada, Colombia, Costa Rica, Chile, China,

Cuba, Denmark, Ecuador, France, Germany,
Great Britain, Honduras, Italy, Mexico, Norway, Panama, Paraguay,
South Africa, Spain, Sweden, Switzerland, Thailand, The
Netherlands, United Arab Emirates, United States, Uruguay, and
Venezuela.
Nealon